

The Church of Jesus Christ of Latter-
Day Saints (Welfare)
& Subsidiary Undertakings

ANNUAL REPORT & FINANCIAL STATEMENTS

for the year ended

31 December 1997



Company Registration No. 1332670

The Church of Jesus Christ of Latter-Day Saints (Welfare) & Subsidiary Undertakings

DIRECTORS AND OFFICERS

DIRECTORS

A K Broadway
R J Mawle
B P Jensen
B D Jacox
K F Keeler

SECRETARY

A K Broadway

COMPANY NUMBER

1332670 (England and Wales)

REGISTERED CHARITY NUMBER

274605

REGISTERED OFFICE

751 Warwick Road
Solihull
West Midlands
B91 3DQ

AUDITORS

Baker Tilly
Chartered Accountants
154 Great Charles Street
Birmingham
B3 3HN

BANKERS

Midland Bank Plc
Bank of America

The Church of Jesus Christ of Latter-Day Saints (Welfare) & Subsidiary Undertakings

DIRECTORS' REPORT

The directors, who are the charity's trustees, submit their report and the financial statements of The Church of Jesus Christ of Latter-Day Saints (Welfare) and subsidiary undertakings for the year ended 31 December 1997.

LEGAL AND ADMINISTRATIVE INFORMATION

The Church of Jesus Christ of Latter-Day Saints (Welfare) is a registered charity which has been incorporated as a private unlimited company.

OBJECTS AND PRINCIPAL ACTIVITIES

The objects of the charity are:-

- a) to promote and further the religious and other charitable work of The Church of Jesus Christ of Latter-Day Saints in the United Kingdom and elsewhere and
- b) to relieve members of the Church and other persons who are in conditions of need, hardship, sickness or distress.

To achieve the above the charity:-

- 1) invests in farms which it rents out to its subsidiary companies (AgReserves Limited and Hallsworth (Farmland Trust) Limited) which then operates the farms on a commercial basis. Any profits earned from these operations are returned to the charity under covenant.
- 2) acquires land and builds purpose built meeting houses, for a fellow subsidiary, in which members of the Church and the public can meet for religious worship and instruction.
- 3) purchases and sells Church curriculum materials, books, pictures, audio and video cassettes, microfilms and articles of clothing, approved by the Church of Jesus Christ of Latter-Day Saints and ancillary to the main purposes of the Church, to members of the Church and the public at large.
- 4) assists individuals suffering through hardship, sickness and distress as needed.

RESULTS

The surplus of the group for the year was £244,000 (1996 - £1,039,000) after receiving a donation of £1,086,000 (1996 - £951,000) from its parent company, The Corporation of the President of the Church of Jesus Christ of Latter-Day Saints.

The directors do not recommend the payment of a dividend, which leaves a surplus for the year of £244,000 to be transferred to reserves.

Assurances of continued financial support have been received from The Corporation of the President of the Church of Jesus Christ of Latter-Day Saints.

The Church of Jesus Christ of Latter-Day Saints (Welfare) & Subsidiary Undertakings

DIRECTORS' REPORT

REVIEW OF THE YEAR

During 1997 we experienced a substantial increase in the amount of assistance that was needed which we were able to satisfy from our existing resources. The rents from our farms provides a steady continuous stream of income to meet ongoing requirements and this was supplemented at the end of the year with the profits from the farms after a successful harvest. Although our farms are predominantly operated by employees we continue to receive invaluable support from volunteers.

Our construction activities for the Church continue at a high level because of the contract to build the Preston Temple and the other buildings on the adjoining land. This project is the largest ever undertaken by the charity for the Church.

The Distribution Centre and the retail outlet at the London Temple continue to provide members of the Church and the public with items that promote and assist a greater understanding of the Church's religious principles and beliefs.

At the end of 1997 a deposit was made to acquire additional farmland in Norfolk which was successfully completed in 1998. With the completion of the Preston Temple in 1998 we will open a further retail outlet adjacent to the Temple and expect a significant increase in our turnover as a consequence. Our construction activities will decline with the completion of the Preston Temple project although they will be at a higher level than prior to the construction of the Temple.

Plans for the trading activities to be moved to a sister company during 1999 will mean that this charity will ultimately concentrate on investing in and operating farms to provide welfare assistance for charitable purposes.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year were:-

A K Broadway	
R J Mawle	
W G Reeves	(resigned 10 March 1997)
B D Jacob	(appointed 3 November 1998)
K F Keeler	
B P Jensen	

A K Broadway and R J Mawle retire by rotation and, being eligible, offer themselves for re-election.

DIRECTORS' INTERESTS IN SHARES

None of the directors had, at any time during the year, a beneficial interest in the share capital of the company.

The Church of Jesus Christ of Latter-Day Saints (Welfare) & Subsidiary Undertakings

DIRECTORS' REPORT

AUDITORS

A resolution to reappoint Baker Tilly, Chartered Accountants, as auditors will be put to the members at the annual general meeting.

By order of the board

AK Broadway
A K Broadway

Secretary

13 May 1999

The Church of Jesus Christ of Latter-Day Saints (Welfare) & Subsidiary Undertakings

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

Company law requires directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the company for that period. In preparing those financial statements, directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- d. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS' REPORT TO THE MEMBERS OF
THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE)
& SUBSIDIARY UNDERTAKINGS

We have audited the financial statements on pages 7 to 26 which have been prepared under the historical cost convention.

Respective responsibilities of directors and auditors

As described on page 5, the company's directors, who also act as the trustees for the charitable activities of the Church of Jesus Christ of Latter-Day Saints (Welfare), are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the charitable company and its subsidiaries at 31 December 1997 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Baker Tilly

BAKER TILLY

Registered Auditor
Chartered Accountants
Scottish Life House
154 Great Charles Street
Birmingham
B3 3HN

14 May 1999

The Church of Jesus Christ of Latter-Day Saints (Welfare) & Subsidiary Undertakings

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 December 1997

		GROUP		COMPANY	
	Notes	Unrestricted total funds 1997 £'000	Unrestricted total funds 1996 £'000	Unrestricted total funds 1997 £'000	Unrestricted total funds 1996 £'000
Incoming resources					
New construction		18,012	14,425	18,012	14,425
Religious, educational, administrative materials and film rental		948	1,174	948	1,174
Rental income		307	280	921	797
Other income		25	13	25	13
Net income of trading subsidiaries	1	1,280	1,474	-	-
Profits covenanted from farm activities		-	-	715	660
Exceptional item - capital contribution	2	650	-	-	-
Donation from the Corporation of The President of The Church of Jesus Christ of Latter-Day Saints		1,086	951	1,086	951
Total incoming resources		22,308	18,317	21,707	18,020
Resources expended					
Direct charitable expenditure	3	21,393	17,258	21,356	17,221
Other expenditure	3	21	20	21	20
Total resources expended		21,414	17,278	21,377	17,241
Net movement in funds		894	1,039	330	779
Balances brought forward at 1 January 1997		5,251	4,212	843	64
Balances carried forward at 31 December 1997		6,145	5,251	1,173	843

Continuing operations

None of the charity's activities were acquired or discontinued during the above two financial years.

Income and expenditure account

The consolidated statement of financial activities constitutes an income and expenditure account for the purposes of the Companies Act 1985.

Statement of total recognised gains and losses

No separate statement of total recognised gains and losses has been presented as all such gains and losses have been dealt with in the consolidated statement of financial activities.

The Church of Jesus Christ of Latter-Day Saints (Welfare) & Subsidiary Undertakings

BALANCE SHEETS

as at 31 December 1997

	Notes	GROUP		COMPANY	
		1997 £'000	1996 £'000	1997 £'000	1996 £'000
FIXED ASSETS					
Tangible assets	7	23,209	21,855	21,326	20,021
Intangible assets	8	693	730	114	114
Investments	9	5	5	1,000	1,000
		<u>23,907</u>	<u>22,590</u>	<u>22,440</u>	<u>21,135</u>
CURRENT ASSETS					
Stocks	10	3,278	3,227	448	363
Debtors	11	1,385	962	581	508
Cash at bank and in hand		1,662	1,401	780	741
		<u>6,325</u>	<u>5,590</u>	<u>1,809</u>	<u>1,612</u>
CREDITORS: Amounts falling due within one year	12	(1,392)	(1,098)	(595)	(197)
NET CURRENT ASSETS		<u>4,933</u>	<u>4,492</u>	<u>1,214</u>	<u>1,415</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>28,840</u>	<u>27,082</u>	<u>23,654</u>	<u>22,550</u>
CREDITORS: Amounts falling due after more than one year	13	(22,481)	(21,715)	(22,481)	(21,707)
PROVISIONS FOR LIABILITIES AND CHARGES	14	(214)	(116)	-	-
		<u>6,145</u>	<u>5,251</u>	<u>1,173</u>	<u>843</u>

The Church of Jesus Christ of Latter-Day Saints (Welfare) & Subsidiary Undertakings

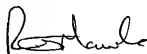
BALANCE SHEETS (continued)

as at 31 December 1997

	Notes	GROUP		COMPANY	
		1997 £'000	1996 £'000	1997 £'000	1996 £'000
CAPITAL AND RESERVES					
Called up share capital	15	-	-	-	-
Income fund					
Unrestricted funds:					
Accumulated fund	16	6,145	5,251	1,173	843
		<u>6,145</u>	<u>5,251</u>	<u>1,173</u>	<u>843</u>

Approved by the Board on 13 May 1999
and signed on their behalf

R J Mawle



Director

The Church of Jesus Christ of Latter-Day Saints (Welfare) & Subsidiary Undertakings

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 1997

	Notes	1997 £'000	1996 £'000
Reconciliation of operating surplus to net cash inflow from operating activities			
Operating surplus	19a	282	1,117
Depreciation		562	532
Amortisation		37	37
Profit on disposal of tangible fixed assets		(64)	(94)
Profit on disposal of intangible fixed assets		-	(26)
Increase in stocks		(51)	(1,357)
(Increase)/decrease in debtors		(423)	1,059
Increase/(decrease) in creditors		1,041	(380)
Net cash inflow from operating activities		1,384	888

CASH FLOW STATEMENT

		1997 £'000	1996 £'000
Net cash inflow from operating activities		1,384	888
Returns on investments and servicing of finance	19a	60	32
Taxation received		(57)	-
Capital expenditure and financial investment	19a	(1,852)	(1,175)
CASH FLOW BEFORE FINANCING		(465)	(255)
Financing	19a	585	(29)
INCREASE/(DECREASE) IN CASH IN THE PERIOD		120	(284)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT (note 19b)

	1997 £'000
Increase in cash in the period	120
Change in net debt resulting from cash flows	(709)
MOVEMENT IN NET DEBT IN THE PERIOD	(589)
NET DEBT AT 1 JANUARY 1997	(20,371)
NET DEBT AT 31 DECEMBER 1997	(20,960)

The Church of Jesus Christ of Latter-Day Saints (Welfare) & Subsidiary Undertakings

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

These financial statements have been prepared in accordance with the Charities (Accounts and Reports) Regulations 1995, the Statement of Recommended Practice "Accounting by Charities" and under the historical cost convention. The following accounting policies have been applied consistently in dealing with items which are considered material to the financial statements.

BASIS OF CONSOLIDATION

The consolidated financial statements incorporate those of The Church of Jesus Christ of Latter-Day Saints (Welfare) and all of its subsidiary undertakings for the year. All financial statements are made up to 31 December 1997. The consolidation has been prepared using the acquisition method of accounting.

INCOMING RESOURCES

Cost of constructing new buildings on behalf of The Church of Jesus Christ of Latter-Day Saints (Great Britain) are recharged on completion of the project. Where projects remain in progress at the year end, the amount recharged represents the total construction costs incurred to date.

Income arising from the sale of religious, educational, administrative materials and film rental represents the invoiced value, net of Value Added Tax, of goods sold and services provided to members and non-members.

RESOURCES EXPENDED

Direct charitable expenditure comprises expenditure directly relating to the objects of the charity. Costs are either specifically identified or apportioned on an appropriate basis between direct charitable expenditure and management and administration of the charity. Expenditure is recognised on an accruals basis.

TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on all tangible fixed assets other than freehold land at rates calculated to write each asset down to its estimated residual value over its expected useful life, as follows:-

Farm houses	over 40 years
Farm buildings, improvements and drainage	over 5 to 20 years
Fixtures, fittings, tools and equipment	over 5 to 10 years
Plant and machinery	over 5 to 10 years
Motor vehicles	over 3 to 10 years

INTANGIBLE FIXED ASSETS

Milk Quotas

Milk quotas are stated at cost. Provision is made for any diminution in value.

Goodwill

Goodwill arising on acquisition representing the excess of the purchase price compared with the fair value of assets acquired is capitalised and written off over 10 years as in the opinion of the directors this represents the period over which the goodwill is effective.

STOCKS

Stocks are valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal. Provision is made for obsolete and slow-moving items.

The Church of Jesus Christ of Latter-Day Saints (Welfare) & Subsidiary Undertakings

ACCOUNTING POLICIES

LEASED ASSETS AND OBLIGATIONS

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding lease commitments are shown as obligations to the lessor.

Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the statement of financial activities in proportion to the remaining balance outstanding.

All other leases are "operating leases" and the annual rentals are charged to the statement of financial activities on a straight line basis over the lease term.

FOREIGN CURRENCY TRANSLATIONS

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date.

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the statement of financial activities.

DEFERRED TAXATION

Taxation deferred or accelerated by the effect of timing differences is accounted for on the liability method to the extent that it is probable that a liability will crystallise.

PENSION CONTRIBUTIONS

The costs of providing pensions for employees are charged to the statement of financial activities over the average working life of employees in accordance with the recommendations of qualified actuaries. Any funding surplus or deficit which may arise from time to time is amortised over the average working life of employees.

PARENT COMPANY DONATIONS AND CAPITAL CONTRIBUTIONS

Donations by one of the company's parent undertakings to fund certain aspects of the company's excess of expenditure over income are included within incoming resources in the year to which they relate.

Capital contributions by one of the company's parent undertakings to provide funding, are treated as an exceptional item in the statement of financial activities in the year in which they arise.

AREA AID INCOME

Area aid income is recognised in the statement of financial activities when the underlying crops are sold. Set-aside income is recognised on a receipts basis.

The Church of Jesus Christ of Latter-Day Saints (Welfare) & Subsidiary Undertakings

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 1997

1 NET INCOME OF TRADING ACTIVITIES OF SUBSIDIARIES

The charity has two subsidiaries which are incorporated in the United Kingdom. Both companies operate farms. A summary of their trading results is shown below. Audited accounts have been filed with the Registrar of Companies.

	1997			1996		
	<i>Hallsworth (Farmland Trust) AgReserves Limited</i>	<i>AgReserves Limited</i>	<i>Total</i>	<i>Hallsworth (Farmland Trust) AgReserves Limited</i>	<i>AgReserves Limited</i>	<i>Total</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Turnover	2,237	1,882	4,119	1,520	1,916	3,436
Cost of sales	(995)	(935)	(1,930)	(431)	(481)	(912)
Gross surplus	1,242	947	2,189	1,089	1,435	2,524
Selling and distribution costs	(382)	(362)	(744)	(392)	(381)	(773)
Administrative expenses	(223)	(102)	(325)	(259)	(143)	(402)
Other operating income	72	81	153	46	51	97
Operating surplus	709	564	1,273	484	962	1,446
Profit on disposal of tangible fixed assets	59	8	67	76	15	91
Interest receivable	2	36	38	10	12	22
Interest payable	-	-	-	(2)	-	(2)
Profit on disposal of intangible fixed assets	-	-	-	-	26	26
Taxation	(44)	(54)	(98)	(35)	(74)	(109)
Net income for the year	726	554	1,280	533	941	1,474

The Church of Jesus Christ of Latter-Day Saints (Welfare) & Subsidiary Undertakings

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 1997

2 CAPITAL CONTRIBUTION

During the year the group received a capital contribution of £650,000 from the Corporation of the President of The Church of Jesus Christ of Latter-Day Saints.

3 ANALYSIS OF TOTAL RESOURCES EXPENDED

	GROUP		COMPANY	
	1997 £'000	1996 £'000	1997 £'000	1996 £'000
Direct charitable expenditure:				
Cost of construction	18,012	14,425	18,012	14,425
Welfare payments	786	267	786	267
Staff costs	841	758	841	758
Materials and supplies	59	85	59	85
Repairs and maintenance	122	124	122	124
Depreciation and amortisation	94	113	57	76
Physical facilities	120	144	120	144
Farm operating costs	275	168	275	168
General administrative costs	207	146	207	146
Cost of religious, educational, administrative materials and film acquisitions	877	1,028	877	1,028
	<u>21,393</u>	<u>17,258</u>	<u>21,356</u>	<u>17,221</u>

Other expenditure:

	GROUP		COMPANY	
	1997 £'000	1996 £'000	1997 £'000	1996 £'000
Office expenses	3	2	3	2
Professional fees	18	18	18	18
	<u>21</u>	<u>20</u>	<u>21</u>	<u>20</u>

The Church of Jesus Christ of Latter-Day Saints (Welfare) & Subsidiary Undertakings

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 1997

4	NET INCOME/(EXPENDITURE) FOR THE YEAR	1997 £'000	1996 £'000
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Net income/(expenditure) is stated after charging:

Depreciation		
- owned assets	562	515
- leased assets	-	17
Profit on disposal of tangible fixed assets	(64)	(94)
Profit on disposal of intangible fixed assets	-	(26)
Auditors' remuneration - audit services	34	33
- other services	19	10
Operating lease rentals		
- plant and machinery	25	39
- other	262	258

5	EMPLOYEES	1997 No.	1996 No.
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The average weekly number of persons (including directors) employed by the group during the year was:

80	88
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	1997 £'000	1996 £'000
Staff costs for the above persons:		
Wages and salaries	1,368	1,386
Social security costs	99	91
Other pension costs	107	103
	1,574	1,580

6 TAXATION

The company is a registered charity and as such its charitable activities are not liable to UK corporation tax.

The company's subsidiaries are liable to UK corporation tax and the charge for the year is shown within the net income of trading activities of subsidiaries in note 1.

The Church of Jesus Christ of Latter-Day Saints (Welfare) & Subsidiary Undertakings

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 1997

7 TANGIBLE FIXED ASSETS

GROUP

	<i>Freehold land and buildings £'000</i>	<i>Fixtures and fittings £'000</i>	<i>Plant and machinery £'000</i>	<i>Motor vehicles £'000</i>	<i>Farms £'000</i>	<i>Total £'000</i>
Cost						
1 January 1997	1,279	78	2,416	346	18,926	23,045
Additions	-	24	663	11	1,439	2,137
Disposals	-	-	(284)	(61)	-	(345)
31 December 1997	1,279	102	2,795	296	20,365	24,837
Depreciation						
1 January 1997	8	47	626	164	345	1,190
Charged in the year	5	7	394	61	95	562
Disposals	-	-	(95)	(29)	-	(124)
31 December 1997	13	54	925	196	440	1,628
Net book value						
31 December 1997	1,266	48	1,870	100	19,925	23,209
31 December 1996	1,271	31	1,790	182	18,581	21,855

A detailed analysis of farms is shown on page 18.

All of the tangible fixed assets are used for charitable purposes.

The Church of Jesus Christ of Latter-Day Saints (Welfare) & Subsidiary Undertakings

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 1997

7 TANGIBLE FIXED ASSETS (continued)

COMPANY

	<i>Freehold land and Buildings £'000</i>	<i>Fixtures and fittings £'000</i>	<i>Plant and machinery £'000</i>	<i>Motor vehicles £'000</i>	<i>Farms £'000</i>	<i>Total £'000</i>
Cost						
1 January 1997	1,234	78	257	222	18,926	20,717
Additions	-	24	12	-	1,439	1,475
Disposals	-	-	-	(42)	-	(42)
31 December 1997	1,234	102	269	180	20,365	22,150
Depreciation						
1 January 1997	-	47	172	132	345	696
Charged in the year	-	7	20	29	95	151
Disposals	-	-	-	(23)	-	(23)
31 December 1997	-	54	192	138	440	824
Net book value						
31 December 1997	1,234	48	77	42	19,925	21,326
31 December 1996	1,234	31	85	90	18,581	20,021

The Church of Jesus Christ of Latter-Day Saints (Welfare) & Subsidiary Undertakings

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 1997

7 TANGIBLE FIXED ASSETS(continued)

GROUP & COMPANY

Included within farms above are:

	<i>Land £'000</i>	<i>Farm houses & £'000</i>	<i>Farm buildings & amenities £'000</i>	<i>Plant and machinery £'000</i>	<i>Total £'000</i>
Cost					
1 January 1997	15,849	2,186	855	36	18,926
Additions	1,100	-	339	-	1,439
31 December 1997	16,949	2,186	1,194	36	20,365
Depreciation					
1 January 1997	-	64	276	5	345
Charged in the year	-	26	66	3	95
31 December 1997	-	90	342	8	440
Net book value					
31 December 1997	16,949	2,096	852	28	19,925
31 December 1996	15,849	2,122	579	31	18,581

The Church of Jesus Christ of Latter-Day Saints (Welfare) & Subsidiary Undertakings

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 1997

8 INTANGIBLE FIXED ASSETS

GROUP	Milk Quotas £'000	Goodwill £'000	Total £'000
Cost			
1 January 1997	435	368	803
Additions	-	-	-
Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
31 December 1997	435	368	803
	<hr/>	<hr/>	<hr/>
Amortisation			
1 January 1997	-	73	73
Amortisation for the year	-	37	37
	<hr/>	<hr/>	<hr/>
31 December 1997	-	110	110
	<hr/>	<hr/>	<hr/>
Net book value			
31 December 1997	435	258	693
	<hr/>	<hr/>	<hr/>
31 December 1996	435	295	730
	<hr/>	<hr/>	<hr/>

INTANGIBLE FIXED ASSETS - COMPANY

	Milk Quotas £'000
Cost and net book value:	
1 January 1997 and 31 December 1997	114
	<hr/>

The Church of Jesus Christ of Latter-Day Saints (Welfare) & Subsidiary Undertakings

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 1997

9 FIXED ASSET INVESTMENTS

GROUP

	<i>Unlisted £'000</i>
Cost	
1 January 1997 and 31 December 1997	11
Provision for diminution in value	
1 January 1997 and 31 December 1997	6
Net book value	
At 1 January 1997 and 31 December 1996	5

FIXED ASSET INVESTMENTS - COMPANY

	<i>Investment in Subsidiary Undertaking £'000</i>
1 January 1997 and 31 December 1997	1,000

The company holds more than 10% of the share capital of the following undertakings:

<i>Name</i>	<i>Country of incorporation</i>	<i>Class of holding</i>	<i>Proportion directly held</i>	<i>Nature of business</i>
AgReserves Limited	England	Ordinary	100%	Farming

<i>Name</i>	<i>Country of incorporation</i>	<i>Class of holding</i>	<i>Proportion indirectly held</i>	<i>Nature of business</i>
Hallsworth (Farmland Trust) Limited	England	Ordinary	100%	Farming

The Church of Jesus Christ of Latter-Day Saints (Welfare) & Subsidiary Undertakings

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 1997

10	STOCKS	GROUP		COMPANY	
		1997 £'000	1996 £'000	1997 £'000	1996 £'000
	Finished goods and goods for re-sale	448	363	448	363
	Farm stocks	1,047	1,182	-	-
	Harvested crops	1,653	1,544	-	-
	Livestock	130	138	-	-
		<u>3,278</u>	<u>3,227</u>	<u>448</u>	<u>363</u>
11	DEBTORS	GROUP		COMPANY	
		1997 £'000	1996 £'000	1997 £'000	1996 £'000
	Due within one year				
	Trade debtors	538	491	-	-
	Other debtors	786	434	525	374
	Prepayments and accrued income	61	15	56	-
	Amounts owed by group undertakings	-	-	-	134
	Amounts owed by fellow subsidiaries	-	22	-	-
		<u>1,385</u>	<u>962</u>	<u>581</u>	<u>508</u>
12	CREDITORS: Amounts falling due within one year	GROUP		COMPANY	
		1997 £'000	1996 £'000	1997 £'000	1996 £'000
	Bank overdraft	141	-	-	-
	Trade creditors	17	82	-	-
	Corporation tax	-	57	-	-
	Other taxation and social security costs	23	150	23	27
	Other creditors	424	170	78	64
	Obligations under finance leases	-	57	-	-
	Accruals and deferred income	731	568	-	-
	Amounts owed to group undertakings	-	-	494	106
	Amounts owed to fellow subsidiaries	56	14	-	-
		<u>1,392</u>	<u>1,098</u>	<u>595</u>	<u>197</u>

The Church of Jesus Christ of Latter-Day Saints (Welfare) & Subsidiary Undertakings

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 1997

13	CREDITORS: Amounts falling due in more than one year	GROUP		COMPANY	
		1997	1996	1997	1996
		£'000	£'000	£'000	£'000
	Loan from holding company	22,481	21,707	22,481	21,707
	Obligations under finance leases	-	8	-	-
		<u>22,481</u>	<u>21,715</u>	<u>22,481</u>	<u>21,707</u>

The loan from the holding company is a loan from the Corporation of the President of the Church of Jesus Christ of Latter-Day Saints which is subordinated to the claims of all other creditors. The loan is interest free and there are no fixed repayment terms.

14 PROVISIONS FOR LIABILITIES AND CHARGES

	GROUP Deferred taxation £'000	COMPANY Deferred taxation £'000
Balance at 1 January 1997	116	-
Transfer from profit and loss	98	-
Balance at 31 December 1997	<u>214</u>	<u>-</u>

1997		1996	
<i>Provided</i>	<i>Unprovided</i>	<i>Provided</i>	<i>Unprovided</i>
£'000	£'000	£'000	£'000

DEFERRED TAXATION - GROUP:

Excess of tax allowances over depreciation	<u>214</u>	<u>-</u>	<u>116</u>	<u>-</u>
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The Church of Jesus Christ of Latter-Day Saints (Welfare) & Subsidiary Undertakings

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 1997

15	SHARE CAPITAL	1997 £	1996 £
	Authorised, allotted, issued and fully paid 100 ordinary shares of £1 each	100	100

16	ACCUMULATED FUND	GROUP		COMPANY	
		1997 £'000	1996 £'000	1997 £'000	1996 £'000
	Balance at 1 January 1997	5,251	4,212	843	64
	Net surplus for the financial year	894	1,039	330	779
	Balance at 31 December 1997	6,145	5,251	1,173	843

17	RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS	1997 £'000	1996 £'000
	Surplus for the financial year	894	1,039
	Opening shareholders' funds	5,251	4,212
	Closing shareholders' funds	6,145	5,251

Shareholders' funds are entirely attributable to equity interests.

18 COMPANY INCOME AND EXPENDITURE ACCOUNT

As permitted by s230(3) Companies Act 1985, the company has not presented its own income and expenditure account.

The Church of Jesus Christ of Latter-Day Saints (Welfare) &
 Subsidiary Undertakings
 NOTES TO THE FINANCIAL STATEMENTS
 for the year ended 31 December 1997

19 CASH FLOWS

a	Analysis of cash flows	1997 £'000	1996 £'000
	Reconciliation of net movement in funds to operating surplus		
	Net movement in funds	244	1,039
	Interest received	(60)	(33)
	Interest paid	-	1
	Taxation	98	110
	Operating surplus	282	1,117
	Returns on investments and servicing of finance	1997 £'000	1996 £'000
	Interest received	60	33
	Interest paid	-	(1)
		60	32
	Capital expenditure	1997 £'000	1996 £'000
	Purchase of intangible fixed assets	-	(52)
	Proceeds from sale of intangible fixed assets	-	52
	Purchase of tangible fixed assets	(2,137)	(1,552)
	Proceeds from sale of tangible fixed assets	285	382
	Purchase of investments	-	(5)
		(1,852)	(1,175)
	Financing	1997 £'000	1996 £'000
	Capital element of finance lease repayments	(65)	(29)
	Capital contribution from parent company	650	-
		585	(29)

The Church of Jesus Christ of Latter-Day Saints (Welfare) & Subsidiary Undertakings

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 1997

19 CASHFLOWS (continued)

b Analysis of changes in Net Debt

	<i>At 1 January 1997 £'000</i>	<i>Cash Flows £'000</i>	<i>At 31 December 1997 £'000</i>
Cash at bank and in hand	1,401	261	1,662
Overdrafts	-	(141)	(141)
	<hr/> 1,401	<hr/> 120	<hr/> 1,521
Debt due after 1 year	(21,707)	(774)	(22,481)
Debt due within 1 year	-	-	-
Finance leases	(65)	65	-
	<hr/> (20,371)	<hr/> (589)	<hr/> (20,960)

20 PENSION COMMITMENTS

The Church operates a pension plan based on final pensionable earnings. The assets of the Plan are held in a separate trustee administered fund. Contributions charged to the statement of financial activities account are calculated so as to spread the cost of pensions over the employees' working lives with the Church. The contributions are determined by a qualified actuary using the projected unit method.

The latest actuarial valuation of the Plan prior to 31 December 1997 was at 31 December 1995. The assumptions having the most significant effect on the valuation results were that investment returns would be 9% and that pensionable earnings increases would average 7.5% pa. The valuation showed that the market value of the Plan's assets was £6,581,000 and that the actuarial value of those assets represented 110% of the benefits that had accrued to members, after allowing for expected future increases in pensionable earnings.

The pensions charge for the period was £107,000 (1996 - £103,000), which included allowance for the amortisation of experience surpluses. These are being recognised over 12 years, the average remaining service lives of employees.

The Church of Jesus Christ of Latter-Day Saints (Welfare) & Subsidiary Undertakings

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 1997

21 RELATED PARTY TRANSACTIONS

The company is owned jointly by The Corporation of the President of the Church of Jesus Christ of Latter-Day Saints and the Corporation of the Presiding Bishop of the Church of Jesus Christ of Latter-Day Saints, both companies incorporated in the state of Utah, United States of America.

Details of the loan account with the Corporation of the President of the Church of Jesus Christ of Latter-Day Saints are included in note 13.

During the year the group received funding from the Corporation of the President of the Church of Jesus Christ of Latter-Day Saints in order to fulfill its charitable activities.

During the year the company contracted with another fellow subsidiary, The Church of Jesus Christ of Latter-Day Saints (Great Britain) to carry out construction of church buildings on its behalf. The value of this work in the year was £18,012,000 (1996 - £14,425,000).

Farm Management Company, the Church's agricultural division in the United States, acts in an advisory capacity to AgReserves Limited and Hallsworth (Farmland Trust) Limited.

During the year management fees of £72,000 (1996 - £38,000) were paid to the Farm Management Company and the balance due to it at 31 December 1997 was £56,000 (1996 - £14,000).

22 ULTIMATE HOLDING COMPANY

The company is owned jointly by the Corporation of the President of the Church of Jesus Christ of Latter-Day Saints and the Corporation of the Presiding Bishop of the Church of Jesus Christ of Latter-Day Saints, both companies incorporated in the state of Utah, United States of America.

Assurances of continued financial support have been received from the Corporation of the President of the Church of Jesus Christ of Latter-Day Saints.